

ENGAGEMENT LETTER

Stefforia, Petik & Carlson, CPAs PC is pleased to provide the professional services described below. This letter confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

Engagement Objective and Scope

We will prepare the federal and state tax income tax returns for the year ended December 31, 2023.

We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

We will prepare the above-referenced tax returns solely to assist you with your tax filing obligations with the Internal Revenue Service (“IRS”) and applicable state and local tax authorities. Our work is not intended to benefit or influence any third party, including any entity or investment which may seek to evaluate your creditworthiness or financial strength. You agree to indemnify and hold us harmless from any and all claims arising from the use of the tax returns for any purpose other than complying with your tax filing obligations regardless of the nature of the claim, excepting claims arising from our gross negligence or intentional wrongful acts.

Our engagement does not include any procedures designed to detect errors, fraud, theft, or other wrongdoing. Therefore, our engagement cannot be relied upon to disclose such matters.

Assisting you with your compliance with the Corporate Transparency Act (“CTA”), including beneficial ownership information (“BOI”) reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at <https://www.fincen.gov/boi>. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA’s reporting requirements and issues surrounding the collection of relevant ownership information.

CPA Firm Responsibilities

It is our duty to prepare your returns based on the same standard of care that a reasonable tax return preparer would exercise in this type of engagement. Unless otherwise noted, the applicable standard of care for a “reasonable tax return preparer” shall be based upon the following pronouncements: the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants; U.S. Treasury Department Circular 230; and the Internal Revenue Code, Treasury Regulations, and any applicable state/local corollaries.

We will prepare your tax returns based upon your filing status as reflected in your income tax returns for last year. ***If your filing status has changed, you wish to change your filing status, or you have questions about your filing status, please contact us immediately.***

Government inquiries

This engagement does not include responding to inquiries by any governmental agency or tax authority. If you are contacted by a tax authority, either for an examination or other inquiry, you may request our assistance in responding.

You will be responsible for tax due, penalties, and interest associated with the failure to file or untimely filing of any of these forms.

Third party requests

We will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns. We do not communicate with third parties or provide them with copies of tax returns.

Client Responsibilities

You acknowledge and agree that your failure to comply with the responsibilities enumerated in this section may result in economic or other loss to you, such as disallowance of tax deductions or credits claimed, additional tax, penalties or interest assessed against you, or loss of administrative rights. You agree to accept responsibility for any consequences of your failure to fulfill your responsibilities.

Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. **Our records are not a substitute for yours.** You should retain all documents that provide evidence and support for reported income, credits, deductions, and other information on your returns, as required under applicable tax laws and regulations. You represent that you have such documentation and can produce it, if necessary, to respond to any examination or inquiry by tax authorities. You will be responsible for any liability, including but not limited to, additional tax, penalties, interest and related professional fees, resulting from the disallowance of tax deductions due to inadequate documentation.

Personal expenses

You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, vehicle use, gifts, and related expenses are supported by documentation and records required by the IRS and other tax authorities.

State and local filing obligations

You are responsible for fulfilling your filing obligations with any state or local tax authorities, including but not limited to, income, franchise, sales, use, and property taxes or abandoned and unclaimed property. The preparation of any state or local tax return not listed above is not within the scope of our engagement. If upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you. You will be responsible for tax due and penalties associated with the failure to file or untimely filing of any form for which we were not engaged to prepare.

U.S. filing obligations related to foreign investments and activities

U.S. citizens and residents generally must report income and activities related to both domestic and foreign assets (worldwide income). You are responsible for fulfilling your filing obligations related to foreign activity where required.

Based upon the information you provide, we will use this data to inform you of any additional filing requirements, which may include FinCEN Form 114, *Report of Foreign Bank and Financial Accounts* ("FBAR"). The FBAR is not a tax return, and its preparation is not within the scope of this engagement.

You agree to provide us with complete and accurate information regarding any foreign investments in which you have a direct or indirect interest, or over which you have signature authority, during the above referenced tax year.

You will be responsible for tax due, penalties, and interest associated with the failure to file or untimely filing of any of these forms.

Digital assets

There are specific tax implications of investing in digital assets (e.g., virtual currencies such as Bitcoin, non-fungible tokens, virtual real estate and similar assets). The IRS considers these to be property for U.S. federal income tax purposes. As such, any transactions in, or transactions that use, digital assets are subject to the same general tax principles that apply to other property transactions.

You are responsible for providing us with complete and accurate information, including basis, regarding any transactions in, or transactions that have used, digital assets during the applicable tax year.

Ultimate responsibility

You have final responsibility for the accuracy of your tax returns. We will provide you with a copy of your electronic tax returns and accompanying schedules and statements for review prior to filing with the IRS, state and local tax authorities, as applicable. You agree to review and examine them carefully for accuracy and completeness.

You will be required to review and sign a completed Form 8879, *IRS e-file Signature Authorization*, and any similar state and local equivalent authorization forms before your returns can be filed electronically.

If we are unable to file your return(s) electronically, we will deliver to you a paper copy suitable for mailing to the taxing authorities. Once delivered to you, you bear full responsibility for reviewing the paper returns for accuracy, and either signing and timely filing them, along with any payments due, or notifying us of any issue which may need to be addressed prior to filing.

You have final responsibility for the payment of your taxes in whatever amount ultimately determined. It is your responsibility to provide us with correct account and routing numbers, to review this information for accuracy prior to submission of your return, and to ensure that sufficient funds are available at the time of payment.

Once your return is complete (e-file acceptance or provision of a paper copy to you), we shall have no obligation to update your returns for subsequent legislative or administrative changes or future judicial interpretations under this Agreement.

Timing of the Engagement

We expect to begin our services upon receipt of this executed Agreement and all documents requested either in the organizer or by our office. Our services will conclude on the later of: the latest date of electronic acceptance of your 2023 tax returns by the relevant tax authority; the date we deliver the paper copy of your returns to you; or upon written notification by either party that the Agreement is terminated; or one (1) year from the execution date of this Agreement, whichever comes first.

Extensions of Time to File Tax Returns

The original filing due dates for your tax returns are April 15, 2024 for federal and Michigan. **Due to the high volume of tax returns prepared by our firm, you must provide the information needed to prepare the tax returns no later than March 22, 2024. Failure to do so may result in the inability to complete your returns by the original filing due dates.**

It may become necessary to apply for an extension of the filing due dates if there are unresolved issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. If we apply for an extension of time to file because you have not provided us all of the information needed to prepare the tax returns by the original due date, you agree to hold our firm harmless from any consequences arising from any election waived. **All taxes owed are due by the original filing due date.** Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.

Failure to timely request an extension of time to file can result in penalties for failure to file tax returns, which accrue from the original due date of the returns and can be substantial.

Penalties and Interest Charges

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns, and underpayment of taxes. You will be responsible for the payment of any additional tax, penalties, and interest charges imposed by tax authorities.

Professional Fee

Our professional fee for the services outlined above is due upon completion of your tax returns. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred whether or not we prepare the tax returns.

Stefforia, Petik & Carlson, CPAs

ACCEPTED:

Taxpayer Signature

Spouse Signature (if married filing jointly)

Printed Name

Date

Printed Name

Date